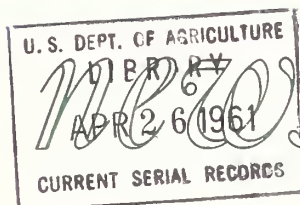


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7-2817
Ag 82
p. 2

RURAL AREAS DEVELOPMENT



April 1961

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*We must show the
world what a
free economy can do
...to put unused
capacity to work,
spur new
productivity and
foster higher
economic growth.
President Kennedy.*

MESSAGE FROM THE SECRETARY --

On March 21 I established a new Rural Areas Development Board in the Department of Agriculture. This is a first step in mobilizing the full resources of the Department to assist State and local leaders in a vigorous program of rural development.

My experience as Governor of Minnesota leads me to believe that the future progress of our great farming States depends on how successfully these States push ahead with economic development in the smaller towns and rural communities.

This means using local resources and the skills of local people to build a progressive economy. It means tailoring programs to meet local conditions; doing a better job of farming; expanding off-farm jobs; broadening markets; putting more resources into education and training; developing local leadership. In addition, adequate farm prices and income are needed to provide the basis for economic development.

The Department of Agriculture is justly renowned as a brilliant agricultural service agency. As Secretary of Agriculture I plan to emphasize in addition those programs of the Department that help promote well-being in entire communities. These include rural electrification, credit, forestry, small watershed development, area studies, extension, and the pilot work done in the Rural Development Program, to name a few. We will be constantly examining and re-examining Department programs to make sure they are of maximum help to local people in gaining area prosperity and growth.

Promoting new and better opportunities in rural America will henceforth be a major responsibility of the Department.

Orville L. Freeman
Secretary of Agriculture



JOHN A. BAKER HEADS
NEW RAD BOARD

John A. Baker, Director of Agricultural Credit, was named March 21 by Secretary Freeman as chairman of the new Rural Areas Development Board. With membership from 11 departmental agencies, the board will have responsibility for mobilizing USDA services in support of State and local rural area development programs.

Also established to serve the board was a Rural Areas Development staff, headed by John M. Lovorn, a long-time USDA employee. Principle duties of the staff include recommending rural areas for priority attention, assuring full agency support of the program, and liaison with other Federal departments.

Under the Rural Areas Development Program, local groups and government agencies will have a key role in getting work started and putting local resources into the program. However, "all Department of Agriculture agencies must commit their resources toward the support of the State and local authorities in this work," the Secretary said.

Progress to date in the Rural Development Program and plans for broadening this type of work were discussed at the first meeting of the Board, March 24.

The following agencies are represented: Agricultural Marketing Service, Agricultural Research Service, Commodity Stabilization Service, Economic Research Service, Farmers Home Administration, Farmer Cooperative Service, Federal Extension Service, Forest Service, Rural Electrification Administration, Soil Conservation Service, and Statistical Reporting Service.

PRESS INTEREST IN
PROGRAM CONTINUES HIGH

In the last few weeks, publications as widely different as the New York Times and the Family Herald, Canada's largest farm paper, have reported on rural development activities in the U. S.

"There is a new climate of hope in one of the country's most depressed rural areas," states the Times in a front page story on the four-county Rural Development Program around Batesville in north central Arkansas.

The article reports on a cooperative project of the Departments of Agriculture and Labor to help local communities put together a successful industry and community development program. With the aid of local financing, four new industries employing several thousand workers have already started operations or are planned for the area.

Readers of Family Herald have a special interest in the rural areas development program since the Canadian Government is now preparing to move forward with such a program. In the January 2 issue, the magazine carried a detailed report on rural development in Michigan's Upper Peninsula, then followed up in its March 30 issue with a discussion of how local citizen groups in farming areas can get organized to help direct the program.

WHAT AGENCIES ARE DOING IN RURAL AREAS DEVELOPMENT

Examples of recent actions to provide tools for building more prosperity in rural communities and towns.

Farmers Home Administration in recent weeks stepped up credit programs for farm and home development, especially among small and low income farmers. An additional \$50 million is now available for farm housing loans and an additional \$35 million for farm operating loans. Secretary Freeman also revised eligibility requirements for operating loans to cover the needs of most small farmers without other sources of credit. FHA Acting Administrator Floyd F. Higbee recently told agency field offices, "We must maintain an aggressive attitude toward extending our services to those family farmers most in need of assistance."

U. S. Small Business Administration and Forest Service have teamed up to increase capital available to small firms buying timber from national forests. These firms can now obtain loans from SBA to build access roads, thus reducing the pressure on working capital needed for normal operations. The new loan program, which went into operation March 1, should help those rural development counties near national forest land.

Rural Electrification Administration's new head, Norman M. Clapp, told a meeting in Wisconsin last month that "much of the task of creating greater opportunity in rural America must fall to rural electric cooperatives." The old REA approach can be applied to creating new kinds of community enterprise, he said. Mr. Clapp called on cooperatives to help form local improvement committees, industrial development groups, and area-wide associations of electric systems.

The November 1960 issue of Industrial Development, a highly influential business magazine, carried an article "Considering a Rural Plant Site," by Dr. Lloyd D. Black of the U. S. Department of Commerce. Dr. Black says it is not correct to assume, as some urban-oriented developers do, that industrial development is inappropriate for rural areas. Small towns and rural areas already have a big share of the nearly 30 percent of manufacturing employment outside standard metropolitan areas.

Other recent articles on rural development include "Operation Bootstrap," in Missouri Ruralist and "Rural Development in Action," in Pennsylvania Farmer.

RURAL AREAS DEVELOPMENT IN THE SOUTHWEST came under close study at the regional meeting February 14-15 in Albuquerque of program leaders from Arizona, Nevada, New Mexico, and Utah.

Those attending the meeting, represented local private groups in rural development counties and Federal and State agencies. Among the topics discussed were the farm situation in the four-State area, industrial development, conservation of human resources, improvement in health and welfare programs.

New Mexico and Nevada have been active in the Rural Development Program for several years. Arizona got started with a program in Navajo County early this year. In Utah similar work is in the planning stage.

THE CRUCIAL IMPORTANCE OF OFF-FARM WORK to some farm families is spelled out in concrete figures by the 1959 Census of Agriculture, preliminary reports of which have now been issued.

Of every 100 farm operators, 45 performed some work off their farms in 1959. Three of every 10 farmers worked 100 days or more off their farms. Thirty-six percent of the nation's farm operators reported that income their family received from other sources was greater than the value of all farm products sold.

However, in spite of the continuing increase in off-farm work, a great deal of underemployment still plagues the rural areas of America. According to a recent statement by Secretary Freeman, underemployment among workers 20 to 64 years of age living on farms is equivalent to a full year of unemployment for nearly 1.5 million workers. Put another way, 1.5 million adults are out of work in rural America, in terms of lost production and wages.

TOWN AND COUNTRY LEADERS in the 18-county Asheville, North Carolina, area have once again chalked up an impressive record of progress.

Their report for 1960, the 11th year of an agriculture, business, and industry "partnership for progress" program, lists a wealth of farm and community gains. Gross farm income in the area is now more than \$100 million, up 5 percent over that of 1959. About 130 rural communities in 15 counties are active in organized community improvement work. Asheville city and county authorities, local businessmen, and farmers once again proved their support of the program by providing a \$40,000 budget for administration, promotion, and community awards.

With this issue the Rural Development Program News evolves into the Rural Areas Development Newsletter, in keeping with the new approaches outlined by Secretary Freeman on page 1. The next few years should witness big changes in the town-country environment. Spurred on by farm progress, industry developments, and new government approaches, small towns and rural communities should begin to move to a position more stable and of greater prestige on the national scene. The Newsletter aims at reporting many of the big changes. A subscription is free. Write Editor, Rural Areas Development Newsletter, Office of Information, U. S. Department of Agriculture, Washington 25, D. C.

